

S/039/012

From: John Blake
To: Susan White
Date: 8/28/2006 12:57:34 PM
Subject: Bryce Haas/B&H Stone/Reclamation LOC

Susan White,
Mining Program Coordinator

The Division of Oil Gas & Mining currently holds a Letter of Credit (LOC) posted by Bryce Haas (B&H Stone Supply) as a reclamation bond for mining activities conducted upon SITLA lands held under mineral lease ML 48949-OBA, Sanpete County. Mr Haas has opened upon two mines upon SITLA lands. One mine is located just off State Highway #28 near Fayette, Utah, and the other site is located in the Nine Mile Canyon region a few miles north of Mayfield, Utah. I understand that the LOC expires at the end of August, 2006 and that the issuing bank has notified DOGM that the LOC will not be renewed. There will be no money available to perform required reclamation of the mined lands in absence of the LOC funds. In discussion about this matter via telephone today we jointly determined that the recommended course of action is to draw upon the LOC and secure the funds therein for reclamation of the SITLA lands that were mined and are leased by B&H Stone under ML 48949-OBA.

Please accept this E-mail as SITLA concurrence in the recommended action of drawing upon the full amount of the Bryce Haas/B&H LOC currently on file with DOGM. Please work closely with SITLA in planning or executing any reclamation upon the two B&H mine sites located upon SITLA lands to ensure that the long term interests of the trust are protected.

Thank you,

John T. Blake
Trust Land Specialist

CC: Tom Faddies; Tom Mitchell